

Legislative Notice

No. 1

February 6, 2001

S. 248 — United Nations Peacekeeping Assessment Adjustment bill

At press time, S. 248 was slated to be reported from the Committee on Foreign Relations on Wednesday, February 7 by voice vote.

NOTEWORTHY

- Under a unanimous consent agreement, the Senate will proceed to the consideration of the United Nations assessment adjustment bill at 1 p.m. on Wednesday. If the bill has not yet been reported, it will be discharged. Amendments are limited to those relevant and cleared by bill managers on both sides.
- It is the Majority Leader's intention to move to final passage on Wednesday.
- S. 248 modifies the 1999 Helms-Biden law mandating reforms in the United Nations as a condition of payment of U.S. arrearages to that organization. The reforms include limiting the U.S. assessment for the United Nations' peacekeeping budget to 25 percent. Because the mandates of the 1999 law have been met substantially (but not completely) according to a December 2000 agreement, the sponsors of the original act have agreed to change the 25-percent requirement to 28.15 percent as part of a three-phase plan for reaching the 25-percent goal. This change is necessary so that second-year funds withheld under the 1999 "Helms-Biden" law can be released.

BACKGROUND

The Consolidated Appropriations Act for FY 2000 (signed into law as P.L. 106-113 in November 1999) enacted a number of provisions designed to ensure institutional reforms at the United Nations in exchange for the payment of funds withheld by the United States. These provisions are known as the "Helms-Biden" law after the principal sponsors; they originally passed the Senate in June

1999 as Title IX of S. 886, the Foreign Relations Authorization Act. The Helms-Biden law authorized a total \$819 million (\$100 million in FY 1998 funds, \$475 in FY 1999 funds, and \$244 million in FY 2000 funds) in payment to the United Nations and allowed an additional \$107 million in debt relief of monies owed to the United States by the U.N. to be applied to what are generally known as U.S. “arrearages” (there being some disagreement as to the actual amount the United States was obligated to pay). These payments would be made upon specified certifications by the Department of State that the United Nations had implemented reform benchmarks upon each tranche of funds. Among the State Department certifications for release of funds are stipulations that neither the United Nations nor any U.N.-affiliated agency has required the United States to violate the Constitution or cede sovereignty, taxed U.S. nationals, created a standing army, charged the United States interest on arrears, borrowed externally, or exercised authority or control over any U.S. national park, wildlife preserve, monument, or property.

In December 1999, the certification was made and \$100 million was paid to the United Nations.

Release of FY 1999 appropriated funds requires certification that the United Nations has established a “contested arrears account” for all U.S. arrearages not included for payment in this authorization, and has agreed that the amount in this account will not be used to deny the United States its voting rights at the United Nations pursuant to Article 19 of the U.N. Charter. In addition, for payment of FY 1999 appropriated funds, there must be a reduction in the assessment ceiling from 25 percent to 22 percent for the U.N. regular budget, and a reduction to 25 percent for U.N. peacekeeping.

S. 248 revises the provisions of the Helms-Biden law to take into account that most of the second-year objectives (in a three-phase reform program) have been accomplished. Recently, the United Nations agreed to reduce the U.S. share of the general U.N. budget to 22 percent, satisfying the Helms-Biden benchmark. This is the first reduction of the U.S. share in more than 28 years. Similarly, the U.N. member states agreed to a new scale for peacekeeping assessments based on six newly created grades of peacekeeping rates according to countries’ per capita wealth. Under this classification, a number of countries gave up a substantial discount they had for the better part of three decades having been classified as so-called “developing” countries.

In addition, in December 2000, the United Nations put a six-year plan in place to reduce what the organization says the U.S. owes for peacekeeping, according to a step-by-step plan:

- In the first half of 2001, the U.S. assessment will fall from 31 percent of the U.N.’s peacekeeping budget (what it is now) to 28 percent;
- In the second half of 2001, the U.S. assessment will fall from 28 percent to 27.5 percent; and
- In 2002, the assessment will decrease to 26.5 percent, and thereafter to 25 percent.

While this agreement does not meet the letter of the second-year Helms-Biden requirements, it is a very substantial step in that direction in the view of the sponsors of that legislation. In recognition of this progress, S. 248 changes the original Helms-Biden law to permit the second phase of arrears (which amounts to \$582 million) to be released with the adoption of the first of several descending U.S. dues rates. It accomplishes this by adjusting the statutory condition in the original law from 25 percent

to 28.15 percent. This second phase is by far the largest of the three phases of arrears attached to reform conditions in the original Helms-Biden law and the one attached to the most stringent conditions, which substantially have been met.

While S. 248 adjusts the second-year Helms-Biden requirements, the third-year conditions for release of the final tranche of funds under that law are not affected by the current legislation. In addition, S. 248 does not change a 1994 statutory limit of 25 percent on the U.S. percentage of the U.N. peacekeeping budget.

BILL PROVISIONS

S. 248 consists of one section, which amends the FY 2000/2001 Foreign Relations Authorization Act (enacted as part of P.L. 106-113) to adjust the maximum U.S. share of the United Nations' peacekeeping budget from 25 percent to 28.15 percent. It also includes a conforming amendment to make the same adjustment in the FY 1999 Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act (enacted as part of the FY 1999 Omnibus Consolidated and Emergency Supplemental Appropriations bill).

ADMINISTRATION POSITION

No Statement of Administration Policy has been issued, but it is anticipated the Bush Administration supports passage of S. 248.

POSSIBLE AMENDMENTS

At press time, no amendments were known. Note that the unanimous consent agreement limits amendments to those relevant and cleared by both bill managers.

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